

PHARMACY BULLETIN

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**IMPLEMENTATION OF 13 CSR 70-20.050 REQUIRING CREDITS ON MEDICATIONS
RETURNED FROM LONG TERM CARE FACILITIES**

This is to advise providers that effective July 30, 2001, providers must submit a credit to the state for the cost of drugs which may be returned from long term care (LTC) facilities for re-dispensing. This policy will apply to any medication dispensed on or after July 30, 2001, that is subsequently returned to the dispensing pharmacy under conditions specified in regulation.

The Division of Medical Services has established policy in regulation which states, in part, that the “Division of Medical Services shall not pay for an unused pharmacy item returned to the dispensing pharmacy by or on behalf of a Medicaid recipient, due to a change in prescription, hospitalization, death of a recipient, or other reason when the item can be accepted for reuse by the pharmacy in accordance with applicable federal or state laws or regulations.”

Pharmacies dispensing on behalf of Medicaid beneficiaries residing in LTC facilities must provide the Division of Medical Services credit for all reusable items (any unused portion) not taken by the Medicaid recipient, under the following conditions:

- The medication may be accepted for reuse per pharmacist’s professional judgement as well as federal and state law or regulation.
- The product, in the pharmacist’s professional judgement, may be reused.
- The cost of the ingredient accepted for re-use is greater than \$4.24.

Providers must begin accepting medications dispensed on or after July 30, 2001 and subsequently returned from long term care facilities. Documentation and tracking of these medications must take place as state and federal laws and regulations dictate. The Division of Medical Services will not establish specific methods to conduct these functions.

REIMBURSEMENT FOR PROVIDING CREDIT FOR LTC RETURNED DRUGS

The regulation requiring the submission of credits for long term care medication returns, also provides for reimbursement of a handling fee for each transaction. Providers will be reimbursed an amount not to exceed \$4.24, the current maximum total dispensing fee for medications dispensed to Medicaid eligible residents of LTC facilities.

BILLING INSTRUCTIONS FOR LONG TERM CARE RETURN CREDITS

Credits for medications returned from long-term-care facilities will be accepted via two methods:

- Submission of paper adjustment forms -- indicating a correction in quantity to reflect doses taken by the patient. Providers selecting this option are advised to also change the billed amount to reflect the additional handling fee of \$4.24, if they wish to receive the fee. Providers should indicate in the comments section that the purpose of the adjustment is to provide the LTC credit.
- Submission of a credit of the entire first claim submission and a re-submission, with corrected quantity information, via internet billing. Providers selecting this option are advised to also change the billed amount to reflect the additional handling fee of \$4.24, if they wish to receive the fee.

*Credit and re-submissions submitted via the internet will generally be adjudicated the night received. Paper adjustment forms take somewhat longer to process. Reimbursement for handling fees will not appear on the same remittance advice as the associated adjustments, credits and re-submissions. These payments will appear on a subsequent remittance advice within 60 days of the agency's receipt of the adjustment, credit and re-submissions, in a section separate from the claims reimbursed on that document.

Providers will be notified if an alternative electronic procedure is developed for this process.

REVISION OF THE MISSOURI MEDICAID MAXIMUM ALLOWABLE COST LISTING

This is to notify providers that the Missouri Maximum Allowable Cost (MAC) list is being revised and expanded effective for dates of service September 1, 2001, and thereafter. An up to date MAC listing is attached. Any products on this list that also appear on the federal upper limit (FUL) list will be subject to the lower of the two reimbursement rates. The Missouri MAC list will be monitored for possible future revisions and expansions on a regular basis. Any changes as a result of this process will be communicated to providers via bulletin. A listing of FUL products may be obtained at <http://www.hcfa.gov/medicaid/drugs/druginfo.htm>. Please be aware that with the change in the name of the federal Health Care Financing Administration (HCFA) to the Center for Medicare and Medicaid Services (CMS), the website may soon reflect this change.

